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PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982

Report of the Secretary-General

A. Introduction

1. During its forty-eighth session, the General Assembly considered a statement submitted by the Secretary-General (A/C.5/48/80) on the programme budget implications of the draft resolution that was later adopted as General Assembly resolution 48/263.

2. The programme budget implications of the draft resolution arose as a result of its operative paragraph 8, which reads as follows:

> "[The General Assembly]
>
> "Decides to fund the administrative expenses of the International Seabed Authority in accordance with section 1, paragraph 14, of the annex to the Agreement."

Section 1, paragraph 14, of the Annex to the Agreement referred to above, states:

> "The Authority shall have its own budget. Until the end of the year following the year during which this Agreement enters into force, the administrative expenses of the Authority shall be met through the budget of the United Nations. Thereafter, the administrative expenses of the

Authority shall be met by assessed contributions of its members, including any members on a provisional basis, in accordance with articles 171, subparagraph (a), and 173 of the Convention and this Agreement, until the Authority has sufficient funds from other sources to meet those expenses. The Authority shall not exercise the power referred to in article 174, paragraph 1, of the Convention to borrow funds to finance its administrative budget."

3. The Fifth Committee, having considered the statement of the Secretary-General (A/C.5/48/80) and the corresponding report of the Advisory Committee on Administrative and Budgetary Questions (A/48/7/Add.16), informed the General Assembly that, should it adopt the draft resolution, and in particular operative paragraph 8 thereof, the maximum requirements for the United Nations regular budget for the period 1994-1999 could be $25,438,500 and the maximum additional appropriation that might be required for the biennium 1994-1995 would be $439,800. The Fifth Committee would revert to the matter at the forty-ninth session of the Assembly in the light of a review of the work programme that gives rise to the above estimates by the relevant intergovernmental body and a further report by the Advisory Committee, including, in particular, on the issue of the budgetary procedure addressed by the Advisory Committee in paragraph 4 of its report.

4. At its 101st meeting, on 28 July 1994, the General Assembly adopted the draft resolution and decided, inter alia, to fund the administrative expenses of the International Seabed Authority in accordance with section 1, paragraph 14, of the Annex to the Agreement (resolution 48/263, para. 8).

5. Subsequent to the adoption of resolution 48/263, a report on the draft budget for the first financial period of the International Seabed Authority (LOS/PCN/141), which included all recent developments, including the estimates contained in document A/C.5/48/80, was submitted to the relevant intergovernmental body, the Preparatory Commission for the International Seabed Authority and for the International Tribunal for the Law of the Sea, at its twelfth session, held from 1 to 12 August 1994. The recommendations of the Preparatory Commission with regard to the draft budget are contained in document LOS/PCN/143.

B. Recommendations by the Preparatory Commission

6. Having considered the draft budget for the first financial period of the International Seabed Authority (LOS/PCN/141), prepared by the Secretariat, the Preparatory Commission decided to recommend to the General Assembly that it approve the draft budget for the Authority only for the period from 16 November 1994 to 31 December 1995, as presented below. In doing so the Preparatory Commission noted that the draft budget was premised on the assumption that the activities of the Authority during the period from 16 November 1994 to 31 December 1995 would relate in large measure to the establishment and the internal administration of the Authority. The Preparatory Commission noted that, in the preparation of a draft budget for 1996, the Secretary-General of the Authority would need to consider the substantive

functions of the Authority in relation to the anticipated level of activities in the international seabed.

7. Upon reviewing the report, the Preparatory Commission made a number of recommendations. As recommended in document LOS/PCN/143, the Assembly of the Authority would hold a ceremonial opening session for three days in November 1994 (16-18 November 1994), an organizational/substantive session for three weeks in February-March 1995 (27 February-17 March 1995) and a resumed session for two weeks in August 1995 (7-18 August 1995), all at Kingston. With regard to the staffing requirements of the International Seabed Authority, the Preparatory Commission recommended that the Secretary-General of the Authority should be upgraded to the level of under-secretary-general. In this connection, the Secretary-General would be assisted by 1 D-2, 2 P-5 and 2 P-2 posts and 17 Local level staff. The Commission also recommended that the Secretary-General of the Authority, assisted by the Administrative/Finance Officer (P-5) and 4 Local level staff, would enter on duty on 1 June 1995. The remaining staff would enter on duty on 1 October 1995. These revised proposals are summarized in section B of the annex to the present report.

8. As regards other items of expenditure outlined in document LOS/PCN/141, the Preparatory Commission recommended: (a) revision of estimates for other official travel; rental and maintenance of premises (includes utilities); rental and maintenance of furniture and equipment; communications; official functions; supplies and materials; acquisition of furniture and equipment; and public information; and (b) acceptance of the estimates for travel to attend meetings; external printing and binding; and local transportation and freight.

9. In summary, were the General Assembly to accept the recommendations of the Preparatory Commission, the estimated gross additional requirements for the International Seabed Authority for the period from 16 November 1994 to 31 December 1995 would be in the amount of $2,489,600, a reduction of $719,900 compared to the corresponding estimate outlined in the statement of the Secretary-General (A/C.5/48/80), as summarized below:

	Requirements identified in A/C.5/48/80		Recommendations of the Preparatory Committee (LOS/PCN/143)		Difference	
	$		$		$	
A. Conference servicing		1 619 800		1 619 800		-
B. Secretariat of the Authority:		1 589 700		869 800		(719 900)
Staff costs	785 600		396 600		(389 000)	
Travel on official business	151 800		141 800		(10 000)	
Contractual services	5 000		5 000		-	
General operating expenses	475 200		258 000		(217 200)	
Supplies and materials	16 000		7 700		(8 300)	
Furniture and equipment	32 000		10 700		(21 300)	
Public information	124 100		5 000		(74 100)	
Total		3 209 500		2 489 600		(719 900)

C. Potential for absorption

1. Conference servicing

10. The estimate of $1,619,800 for conference-servicing costs ($1,619,800) remains unchanged and no additional resources will be required for the biennium 1994-1995.

2. Secretariat of the Authority

11. Provision is made in the programme budget of the United Nations for the biennium 1994-1995 for activities at the Kingston Office for the Law of the Sea related to the Preparatory Commission for the International Seabed Authority and for the International Tribunal for the Law of the Sea. The Preparatory Commission recommended that the Secretary-General of the Authority and the Administrative/Finance Officer should enter on duty on 1 June 1995 but take over the office premises, furniture and equipment, supplies and materials of the Kingston Office for the Law of the Sea only on 1 October 1995. With regard to the period from 1 June 1995 to 30 September 1995, the Preparatory Commission recommended that the Kingston Office for the Law of the Sea be maintained and that practical arrangements be made between the Secretary-General of the Authority and the Secretary-General of the United Nations relating to the operation of that Office. In this connection, it is to be noted that, according to paragraph 13 of resolution I of the Third United Nations Conference on the Law of the Sea, the Preparatory Commission shall remain in existence until the conclusion of the first session of the Assembly of the Authority. The Preparatory Commission also agreed that while both the Professional (1 P-5, 1 P-3 and 2 P-2/1) and General Service (13 Local level) posts at Kingston should be abolished as of 30 September 1995, incumbent staff of that Office should be employed by the Secretary-General of the Authority from 1 October 1995.

12. Based on the assumption that the need to operate the Kingston Office for the Law of the Sea would not arise after 30 September 1995, the Preparatory Commission recommended that an amount of $776,000 appropriated under section 7 of the programme budget of the United Nations for the biennium 1994-1995 would no longer be required and should be surrendered. This would offset the estimated amount of $869,800 required for the costs of the Secretariat of the International Seabed Authority, leaving a net additional requirement of $93,800.

13. Should the General Assembly endorse the recommendations of the Preparatory Commission, it is estimated that an additional appropriation of $869,800 would be required for the costs of the Secretariat of the International Seabed Authority. In his earlier statement (A/C.5/48/80), the Secretary-General proposed that such a provision be made under a new and separate section 32 of the programme budget of the United Nations for the biennium 1994-1995. This additional requirement would be partially offset by a reduction of $776,600 under section 7. The net additional appropriation of $93,800 would be subject to the provision for the use and operation of the contingency fund, as outlined in paragraphs 56 and 57 of the Secretary-General's earlier statement.

14. Should the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 enter into force in 1995 or subsequently, administrative expenses of the Authority would have to be met from the regular budget of the United Nations in 1996 and possibly beyond. As indicated in the earlier statement, the annual budget of the Authority for 1996 and, possibly, future years, as approved by the Assembly of the Authority, would be submitted to the General Assembly for decision. It would not be the intention of the Secretary-General to include such estimates in his proposed programme budgets, but to transmit to the General Assembly on an annual basis the budget of the Authority as agreed by its Assembly. It is the Secretary-General's view that such expenses should be treated outside the procedures related to the outline and the contingency fund.

ANNEX

A. Proposed deployment of projected personnel in 1995 as outlined in document A/C.5/48/80

Category/Level	MONTHS										
	Proposed projected 94-95	95 Mar	95 Apr	95 May	95 Jun	95 Jul	95 Aug	95 Sep	95 Oct	95 Nov	95 Dec
Professional category and above											
ASG	1	1	1	1	1	1	1	1	1	1	1
D-1	1					1	1	1	1	1	1
P-5	1	1	1	1	1	1	1	1	1	1	1
P-3	1	1	1	1	1	1	1	1	1	1	1
P-2	2	2	2	2	2	2	2	2	2	2	2
Subtotal	6	5	5	5	5	6	6	6	6	6	6
Other categories											
Local level	17	13	13	13	17	17	17	17	17	17	17
Grand total	23	18	18	18	18	23	23	23	23	23	23

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B. Deployment of personnel recommended by the Preparatory Commission in 1995

Category/Level	MONTHS							
	Proposed 94-95	95 Jun	95 Jul	95 Aug	95 Sep	95 Oct	95 Nov	95 Dec
Professional category and above								
USG	1	1	1	1	1	1	1	1
D-2	1					1	1	1
P-5	2	1	1	1	1	2	1	1
P-2	2					2	2	2
Subtotal	6	2	2	2	2	6	6	6
Other categories								
Local level	17	4	4	4	4	17	17	17
Grand total	23	6	6	6	6	23	23	23